

# PSJ17 Exh 23

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## TEVA PHARMACEUTICAL INDUSTRIES LIMITED

## Notes To Consolidated Financial Statements

**y. Collaborative arrangements:**

Collaborative agreements are contractual arrangements in which the parties are active participants to the arrangement and are exposed to the significant risks and rewards that are dependent on the ultimate commercial success of the endeavor. See note 2(12).

The Company recognizes revenue generated and costs incurred on sales to third parties as it relates to a collaborative agreement as gross or net, based on accounting guidance relating to “Reporting Revenue Gross as a Principal versus Net as an Agent.” If the Company is the principal participant in a transaction, revenues are recorded on a gross basis; otherwise, revenues are recorded on a net basis.

**z. Segment reporting:**

Teva evaluates its organizational structure under a notion of “One Teva” with functional based units of a front-end (products offerings) and back-end (supply, operations and research and development) unified organization. Accordingly, Teva concluded that it has one operating segment. Entity-wide disclosures on net revenues and property, plant and equipment are presented in note 18.

**aa. Reclassifications:**

Certain comparative figures have been reclassified to conform to the current year presentation.

**ab. Recently issued accounting pronouncements:**

In July 2012, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update 2012-02, “*Intangibles—Goodwill and Other (Topic 350): Testing Indefinite Intangibles Assets for Impairment*,” which amended the guidance in ASC 350-30 on testing indefinite-lived intangible assets, other than goodwill, for impairment allowing an entity to perform a qualitative impairment assessment. If the entity determines that it is not more likely than not that the fair value of the reporting unit is less than the carrying amount, further testing of indefinite-lived intangible assets for impairment is not required and the entity would not need to calculate the fair value of the asset and perform a quantitative impairment test. In addition, the standard did not amend the requirement to test these assets for impairment between annual tests if there is a change in events or circumstances; however, it revised the examples of events and circumstances that an entity should consider in interim periods, which are identical to those assessed in the annual qualitative assessment described above. ASU 2012-02 was effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption being permitted. Teva believes that the adoption of this standard will not have a material impact on its consolidated statements.

In December 2011, the FASB issued Accounting Standard Update No. 2011-11, “*Balance Sheet (210): Disclosures about Offsetting Assets and Liabilities*,” which requires additional disclosures about the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods therein, with retrospective application required. In January 2013, the FASB issued Accounting Standard Update No. 2013-01, “*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*.” Teva believes that the adoption of both the standard and the update will not have a material impact on Teva’s consolidated financial statements.



# Segment Reporting Memorandum Q1 2018



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3. In November 2017 Teva announced the new organizational structure which will be effective immediately, but will affect Teva financial reporting starting Q1, 2018. See appendix d for the accounting memo regarding the timing of the change.

The business will continue to be managed and orchestrated by Teva's CEO, who regularly reviews its results, is directly involved in assessing performance and making decisions on overall resource allocation, and ultimately responsible for the allocation of resources.

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Age Group	Percentage
18-24	100%
25-34	80%
35-44	60%
45-54	40%
55-64	20%
65-74	10%
75+	5%

Response	Percentage
Yes	85%
No	15%

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Government	Percentage
Current government	85%
Previous government	15%

Country	Share of GDP
United States	1.1%
Germany	0.8%
France	0.7%
United Kingdom	0.6%
Italy	0.5%
Spain	0.4%
Japan	0.3%
China	0.2%
India	0.1%
Other countries	0.1%





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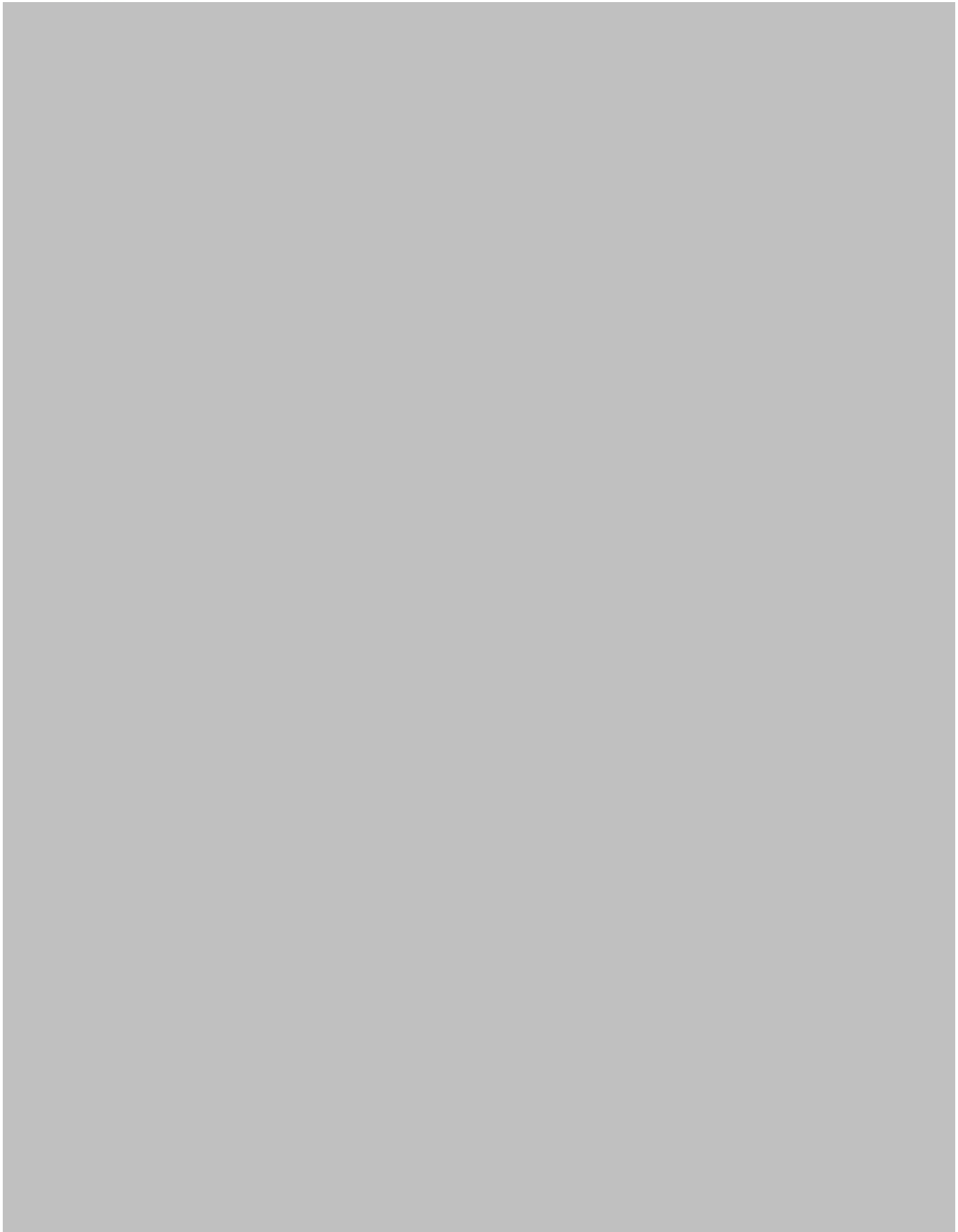
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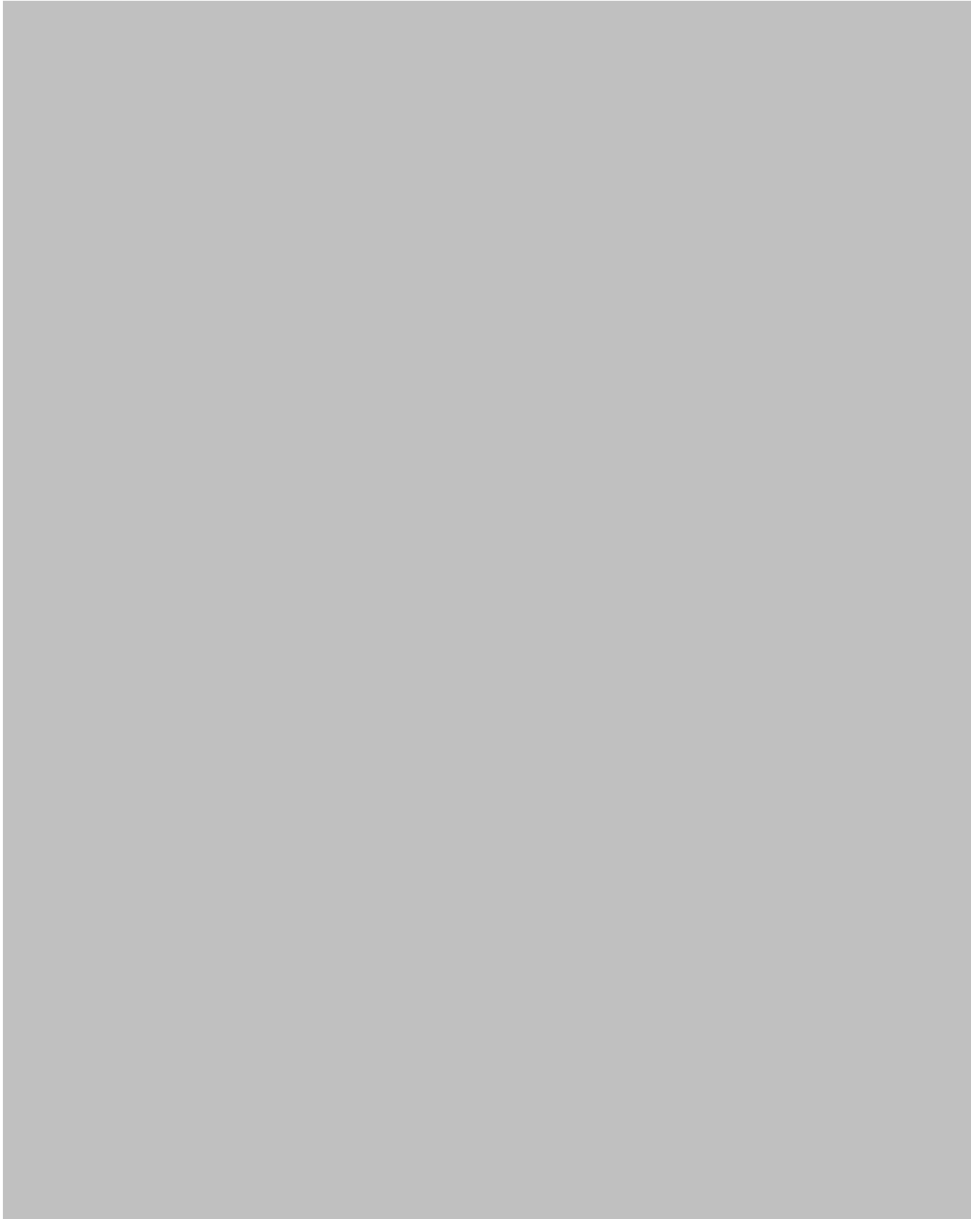
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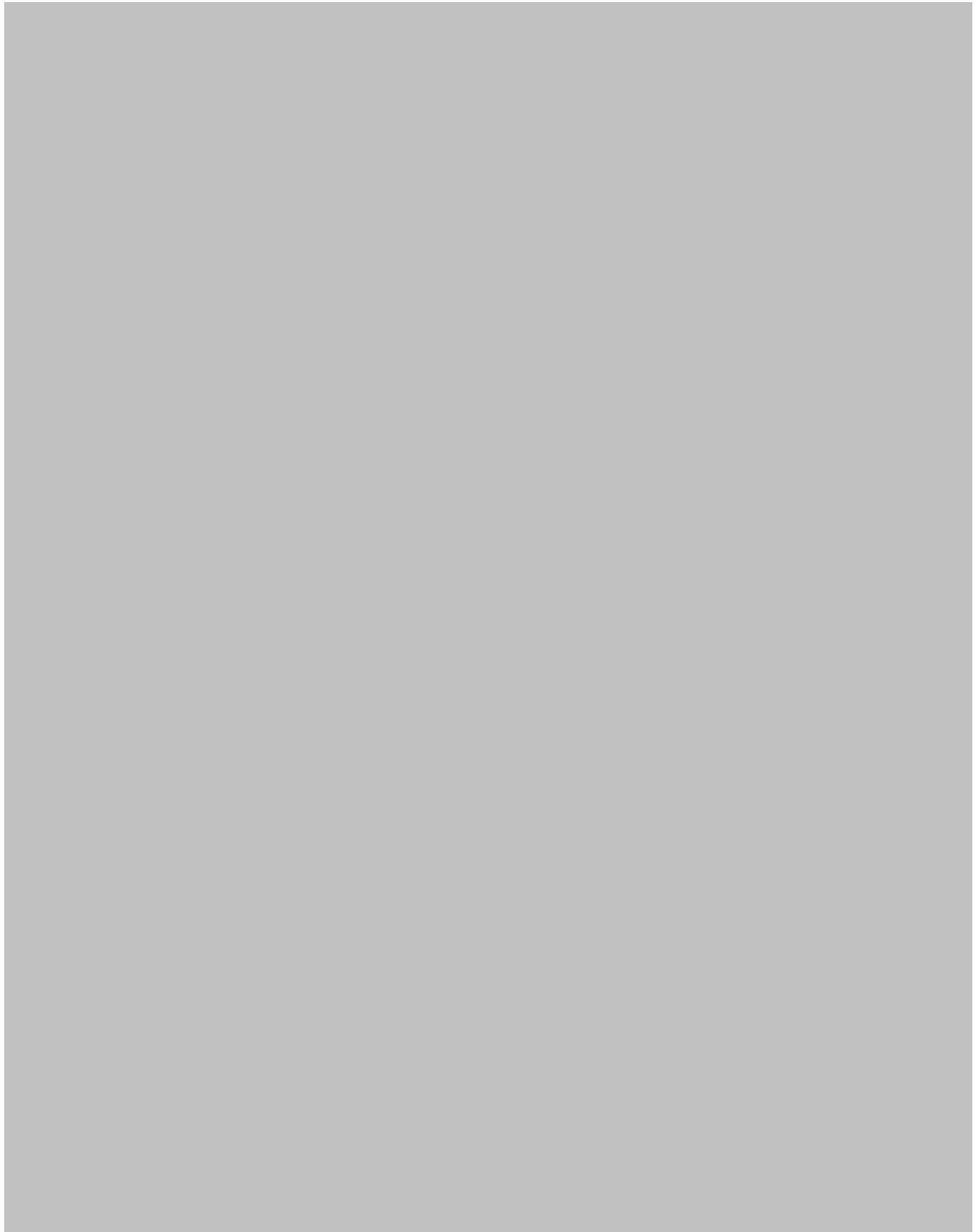














## Corporate Legal Department

*Effective as of: July 15, 2014<sup>1</sup>*

From: **Richard S. Egosi**  
**Group Executive Vice President, Chief Legal Officer and Company Secretary**

To: **All Teva Business Units**

Re: **Contract Review Policy ("Contract Policy")**

**I. Purpose/Scope:**

Entering into any contractual arrangement on behalf of Teva Pharmaceutical Industries Ltd. or one of its affiliated companies or business units worldwide (collectively, "Teva" and individually, a "Teva Contracting Party") with a third party creates legally binding obligations for Teva. To help ensure appropriate management and legal oversight and effective decision making, it is the duty of every Teva employee and representative to ensure that the proper corporate supervisor, in conjunction with the relevant Teva Legal function and the Global Compliance Group, has considered and approved each contract before it is entered into. This Contract Policy sets forth the specific requirements of the Legal Department for proper contract administration and execution. For Compliance review and approval requirements, please refer to the relevant Global Compliance policies or the appropriate Compliance Officer.

For the purpose of this Contract Policy, a "contract" means any type of legally binding commitment, whether mutual or unilateral, financial or non-financial. For this purpose, any modification to an approved contract must be treated as a new contract that is subject to the procedures set forth herein.

**II. Procedure:**

**A. Signature Requirements**

Every contract with a Teva Contracting Party must bear the signatures of at least two persons, who are authorized to sign the contract on behalf of the relevant Teva Contracting Party. The Legal function of the relevant Teva Contracting Party is responsible for maintaining the list of its authorized signatories ("**Authorized Signatory List**"). The persons signing the contract must be authorized to do so in accordance with any policies and

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<sup>1</sup> This Contract Review Policy replaces and supersedes the Legal Department's "Contract Administration Policy" dated November 2011.

# Prevention of Corruption SOP - Supporting Functions

## **Purpose:**

This SOP is intended to ensure that Teva's employees conduct their activities ethically and in compliance with all Applicable Laws and Codes.

This SOP establishes standards concerning the prevention of corruption, and is a supplement to **our** Code of Conduct, **our** Compliance Principles and Teva's Prevention of Corruption Policy.

Capitalized terms not otherwise defined in this SOP are defined in the Appendix of Teva's Prevention of Corruption Policy.

## **Scope:**

This SOP covers all activities and interactions with external individuals or organizations as defined in Teva's Prevention of Corruption Policy. These include, without limitation, Healthcare Professionals, Government Officials, Customers, patients or other members of the Healthcare Community, Third Party Representatives, and other business partners.

## **Application:**

This SOP applies worldwide to Teva's employees supporting the following departments:

- Global Finance,
- Global HR,
- Global Legal and Patent,
- Global Compliance,
- CEO Office,
- Corporate Marketing Excellence & Communication,
- Global Internal Audit,
- Global Business Development & Strategy,
- Global IT,
- Corporate Security, and
- Global Real Estate & Facility Management (collectively, the **"Support Function Employees"**)

Support Function Employees are committed to doing business the right way. Teva's Code of Conduct, Compliance Principles, and Global Policy on the Prevention of Corruption describe our vision for doing business in a legal and ethical manner. This SOP is a guide for helping Support Function Employees put our values into practice in a number of common activities where we interact with members of the Healthcare Community and Government Officials.

By following the Prevention of Corruption Policy and this SOP, you will help ensure that we:

- Adhere to the highest standards of professional integrity; and
- Follow all Applicable Laws and Codes.

Our commitment to compliance and to doing business legally and ethically will continue to inspire trust, respect, and confidence in our company, and distinguish Teva as a strong and reliable partner of choice.